



THIRTY-FOURTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
NEW MADRID COUNTY, MISSOURI
TWO YEARS ENDED 1998 AND 1997

**From The Office Of State Auditor
Claire McCaskill**

Report No. 99-45
July 21, 1999

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

The following audit report presents our findings and recommendations for the municipal divisions of the Thirty-Fourth Judicial Circuit in New Madrid County. During our audit, we identified accounting records, controls, and certain management practices which we believe could be improved. The municipal divisions in which specific findings and recommendations were noted are listed below:

City of Gideon	<i>pages 24-26</i>
City of Lilbourn	<i>pages 26-29</i>
City of Marston	<i>pages 29-30</i>
City of Morehouse	<i>pages 30-31</i>
City of New Madrid	<i>pages 31-32</i>
City of Parma	<i>pages 33-36</i>
City of Portageville	<i>pages 36-37</i>
City of Tallapoosa	<i>pages 37-38</i>

We had no findings or recommendations for the municipal divisions of the **City of Canalou** and the **City of Risco**. The municipal divisions for the City of Howardville and the City of Matthews are reported on separately.

Actions taken by the various municipal divisions of the Thirty-Fourth Judicial Circuit in New Madrid County recommendations made in the prior report are noted on pages 40-57.

YELLOW SHEET

THIRTY-FOURTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS - NEW MADRID COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
<hr/> <u>FINANCIAL SECTION</u> <hr/>	
State Auditor's Reports:	2-7
Financial Statements	3-5
Compliance and Internal Control over Financial Reporting	6-7
Financial Statements:	8-18
<u>Exhibit</u>	<u>Description</u>
A	Comparative Statement of Receipts, Disbursements, and Changes in Cash, Years Ended June 30, 1998 and 1997
	City of Canalou9
	City of Gideon.....10
	City of Lilbourn11
	City of Parma12
B	Comparative Statement of Receipts, Disbursements, and Changes in Cash, Years Ended April 30, 1998 and 1997
	City of New Madrid13
	City of Portageville14
	City of Risco15
C	Comparative Statement of Receipts, Disbursements, and Changes in Cash, Years Ended December 31, 1997 and 1996
	City of Marston16
	City of Morehouse17
	City of Tallapoosa.....18
Notes to the Financial Statements.....	19-21
<hr/> <u>MANAGEMENT ADVISORY REPORT SECTION</u> <hr/>	
Management Advisory Report - State Auditor's Current Recommendations:	23-39

THIRTY-FOURTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS - NEW MADRID COUNTY, MISSOURI

TABLE OF CONTENTS

		<u>Page</u>
<hr/> <u>MANAGEMENT ADVISORY REPORT SECTION</u> <hr/>		
<u>Number</u>	<u>Description</u>	
	Municipal Divisions:	
1.	City of Gideon	24
2.	City of Lilbourn	26
3.	City of Marston	29
4.	City of Morehouse	30
5.	City of New Madrid	31
6.	City of Parma	33
7.	City of Portageville	36
8.	City of Tallapoosa.....	37
	Follow-Up on State Auditor’s Prior Recommendations	40-57
<hr/> <u>STATISTICAL SECTION</u> <hr/>		
	History, Organization, and Statistical Information	59-66

FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON
THE FINANCIAL STATEMENTS

Presiding Judge
and
Municipal Judges
Thirty-Fourth Judicial Circuit

We have audited the accompanying special-purpose financial statements of the various municipal divisions (other than the city of Parma Municipal Division as of and for the years ended June 30, 1998 and 1997) of the Thirty-Fourth Judicial Circuit, New Madrid County, Missouri, as of and for the years ended June 30, 1998 and 1997; April 30, 1998 and 1997; and December 31, 1997 and 1996, as identified by municipality and fiscal period in the table of contents. These special-purpose financial statements are the responsibility of the municipal divisions' management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

Except as discussed in paragraphs four through seven, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of the municipal divisions of the Thirty-Fourth Judicial Circuit, New Madrid County, Missouri, and are not intended to be a complete presentation of the financial position and results of operations of the municipal divisions.

Internal controls and accounting records of the city of Gideon Municipal Division were inadequate. Records containing the numerical sequence and ultimate disposition of each traffic ticket issued by the police department were not maintained. Bonds held in trust by the city were not identified to specific court cases. As a result, we were unable to satisfy ourselves by appropriate

audit tests or other means as to receipts and disbursements beyond amounts recorded in the municipal division's records for the years ended June 30, 1998 and 1997.

Internal controls and accounting records of the city of Lilbourn Municipal Division were inadequate. Records containing the numerical sequence and ultimate disposition of each traffic ticket and complaint form issued by the police department were not maintained. Bonds held in trust were not identified to specific court cases. As a result, we were unable to satisfy ourselves by appropriate audit tests or other means as to receipts and disbursements beyond amounts recorded in the municipal division's records for the years ended June 30, 1998 and 1997.

Internal controls and accounting records of the city of New Madrid Municipal Division were inadequate. Complaint forms issued by the police department are not prenumbered and records containing the numerical sequence and ultimate disposition of each traffic ticket and complaint form issued by the police department were not maintained. Bonds held in trust by the city were not identified to specific court cases. As a result, we were unable to satisfy ourselves by appropriate audit tests or other means as to receipts and disbursements beyond amounts recorded in the municipal division's records for the years ended April 30, 1998 and 1997.

Internal controls and accounting records of the city of Marston Municipal Division were inadequate. Records containing the numerical sequence and ultimate disposition of summonses were not maintained. Bonds held in trust by the municipal division were not identified to specific court cases. As a result, we were unable to satisfy ourselves by appropriate audit tests or other means as to receipts and disbursements beyond amounts recorded in the municipal division's records for the years ended December 31, 1997 and 1996.

In our opinion, except for the effects, if any, on the financial statements of the matters discussed in the preceding four paragraphs, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of the municipal divisions (other than the city of Parma Municipal Division as of and for the years ended June 30, 1998 and 1997) of the Thirty-Fourth Judicial Circuit, New Madrid County, Missouri, as of and for the years ended June 30, 1998 and 1997; April 30, 1998 and 1997; and December 31, 1997 and 1996, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than generally accepted accounting principles.

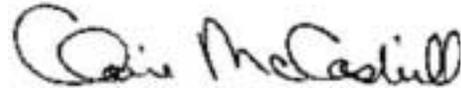
We also had planned to audit the accompanying special-purpose financial statements of the city of Parma Municipal Division as of and for the years ended June 30, 1998 and 1997. This special-purpose financial statement is the responsibility of the municipal division's management.

As a result of internal control weaknesses, inadequate records, and evidence of fraud, we were unable to satisfy ourselves by appropriate audit tests or other means as to receipts and disbursements of the city of Parma Municipal Division for the years ended June 30, 1998 and 1997.

Because of the effects of the matters discussed in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the special-purpose financial statement of the city of Parma Municipal Division as of and for the years ended June 30, 1998 and 1997.

In accordance with *Government Auditing Standards*, we also have issued our report dated September 3, 1998 and May 28, 1999, on our consideration of the municipal divisions' internal controls over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grants.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the municipal divisions' management and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.

A handwritten signature in black ink, appearing to read "Claire McCaskill". The signature is written in a cursive, flowing style.

Claire McCaskill
State Auditor

September 3, 1998, except for the
city of Parma Municipal Division,
as to which the date is May 28, 1999 (fieldwork completion dates)



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Presiding Judge
and
Municipal Judges
Thirty-Fourth Judicial Circuit

We have audited the special-purpose financial statements of the various municipal divisions (other than the city of Parma Municipal Division as of and for the years ended June 30, 1998 and 1997) of the Thirty-Fourth Judicial Circuit, New Madrid County, Missouri, as of and for the years ended June 30, 1998 and 1997; April 30, 1998 and 1997; and December 31, 1998 and 1997, and have issued our report thereon dated September 3, 1998. That report expressed a qualified opinion on the special-purpose financial statements of the municipal divisions of the city of Gideon, the city of Lilbourn, the city of New Madrid, and the city of Marston for the applicable fiscal periods. Except as discussed in the report on the financial statements of the municipal divisions referred to in the preceding sentence, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

We also had planned to audit the special-purpose financial statement of the city of Parma Municipal Division as of and for the years ended June 30, 1998 and 1997 and have issued our report thereon dated May 28, 1999. In that report we did not express an opinion on this special-purpose financial statement.

Compliance

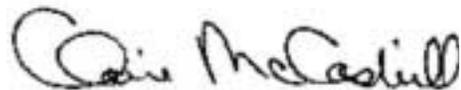
As part of obtaining reasonable assurance about whether the special-purpose financial statements of the various municipal divisions of the Thirty-Fourth Judicial Circuit, New Madrid County, Missouri, are free of material misstatement, we performed tests of the municipal divisions' compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed material instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are presented in the accompanying Management Advisory Report. We also noted certain other instances of noncompliance which are presented in that report.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of the various municipal divisions of the Thirty-Fourth Judicial Circuit, New Madrid County, Missouri, we considered the municipal divisions' internal controls over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal controls over financial reporting. However, we noted certain matters involving the internal controls over financial reporting and their operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal controls over financial reporting that, in our judgment, could adversely affect the municipal divisions' ability to record, process, summarize, and report financial data consistent with the assertions of management in the special-purpose financial statements.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal controls over financial reporting would not necessarily disclose all matters in the internal controls that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we noted certain matters involving the internal controls over financial reporting and their operation that we consider to be material weaknesses, and these matters are presented in the accompanying Management Advisory Report.

This report is intended for the information of the management of the various municipal divisions of the Thirty-Fourth Judicial Circuit, New Madrid County, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.



Claire McCaskill
State Auditor

September 3, 1998, except for the
city of Parma Municipal Division,
as to which the date is May 28, 1999 (fieldwork completion dates)

Financial Statements

Exhibit A

THIRTY-FOURTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS - NEW MADRID COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of Canalou	
	Year Ended June 30,	
	1998	1997
RECEIPTS		
Fines, costs, bonds, and other	\$ 45	0
Total Receipts	<u>45</u>	<u>0</u>
DISBURSEMENTS		
City treasury	45	0
State of Missouri (Note 3)	0	0
Total Disbursements	<u>45</u>	<u>0</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>0</u>	<u>0</u>
CASH, JULY 1	<u>0</u>	<u>0</u>
CASH, JUNE 30	<u>\$ 0</u>	<u>0</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A

THIRTY-FOURTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS - NEW MADRID COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of Gideon	
	Year Ended June 30,	
	<u>1998</u>	<u>1997</u>
RECEIPTS		
Fines, costs, bonds, and other	\$ 11,563	9,321
Total Receipts	<u>11,563</u>	<u>9,321</u>
DISBURSEMENTS		
City treasury	11,563	9,321
State of Missouri (Note 3)	<u>0</u>	<u>0</u>
Total Disbursements	<u>11,563</u>	<u>9,321</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0
CASH, JULY 1	<u>0</u>	<u>0</u>
CASH, JUNE 30	<u>\$ 0</u>	<u>0</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A

THIRTY-FOURTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS - NEW MADRID COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of Lilbourn	
	Year Ended June 30,	
	<u>1998</u>	<u>1997</u>
RECEIPTS		
Fines, costs, bonds, and other	\$ 7,720	5,279
Total Receipts	<u>7,720</u>	<u>5,279</u>
DISBURSEMENTS		
City treasury	7,123	5,536
State of Missouri (Note 3)	0	0
Refunds and other	494	119
Total Disbursements	<u>7,617</u>	<u>5,655</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	103	-376
CASH, JULY 1	<u>865</u>	<u>1,241</u>
CASH, JUNE 30	<u>\$ 968</u>	<u>865</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A

THIRTY-FOURTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS - NEW MADRID COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

(UNAUDITED)

	City of Parma	
	Year Ended June 30,	
	<u>1998</u>	<u>1997</u>
RECEIPTS		
Fines, costs, bonds, and other	\$ 36,826	27,193
Total Receipts	<u>36,826</u>	<u>27,193</u>
DISBURSEMENTS		
City treasury	34,330	25,026
State of Missouri (Note 3)	0	0
Refunds and other	1,138	1,658
Unaccountable (Note 5)	<u>1,277</u>	<u>0</u>
Total Disbursements	<u>36,745</u>	<u>26,684</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	81	509
CASH, JULY 1	<u>1,568</u>	<u>1,059</u>
CASH, JUNE 30	<u>\$ 1,649</u>	<u>1,568</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

THIRTY-FOURTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS - NEW MADRID COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of New Madrid Year Ended April 30,	
	1998	1997
RECEIPTS		
Fines, costs, bonds, and other	\$ 36,204	38,944
Total Receipts	<u>36,204</u>	<u>38,944</u>
DISBURSEMENTS		
City treasury	36,204	38,944
State of Missouri (Note 3)	<u>0</u>	<u>0</u>
Total Disbursements	<u>36,204</u>	<u>38,944</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0
CASH, MAY 1	<u>0</u>	<u>0</u>
CASH, APRIL 30	<u>\$ 0</u>	<u>0</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

THIRTY-FOURTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS - NEW MADRID COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of Portageville Year Ended April 30,	
	1998	1997
RECEIPTS		
Fines, costs, bonds, and other	\$ 38,164	48,658
Total Receipts	<u>38,164</u>	<u>48,658</u>
DISBURSEMENTS		
City treasury	35,500	46,059
State of Missouri	1,681	1,919
Refunds and other	930	1,145
Total Disbursements	<u>38,111</u>	<u>49,123</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	53	-465
CASH, MAY 1	817	1,282
CASH, APRIL 30	<u>\$ 870</u>	<u>817</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

THIRTY-FOURTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS - NEW MADRID COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of Risco	
	Year Ended April 30,	
	<u>1998</u>	<u>1997</u>
RECEIPTS		
Fines, costs, bonds, and other	\$ 922	3,715
Total Receipts	<u>922</u>	<u>3,715</u>
DISBURSEMENTS		
City treasury	922	3,715
State of Missouri (Note 3)	<u>0</u>	<u>0</u>
Total Disbursements	<u>922</u>	<u>3,715</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0
CASH, MAY 1	<u>0</u>	<u>0</u>
CASH, APRIL 30	<u>\$ 0</u>	<u>0</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

THIRTY-FOURTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS - NEW MADRID COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of Marston	
	Year Ended December 31,	
	<u>1997</u>	<u>1996</u>
RECEIPTS		
Fines, costs, bonds, and other	\$ 9,533	5,008
Total Receipts	<u>9,533</u>	<u>5,008</u>
DISBURSEMENTS		
City treasury	7,623	4,541
State of Missouri	570	342
Refunds and other	831	1,275
Total Disbursements	<u>9,024</u>	<u>6,158</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	509	-1,150
CASH, JANUARY 1	<u>0</u>	<u>1,150</u>
CASH, DECEMBER 31	<u>\$ 509</u>	<u>0</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

THIRTY-FOURTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS - NEW MADRID COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of Morehouse	
	Year Ended December 31,	
	<u>1997</u>	<u>1996</u>
RECEIPTS		
Fines, costs, bonds, and other	\$ 18,739	20,894
Total Receipts	<u>18,739</u>	<u>20,894</u>
DISBURSEMENTS		
City treasury	13,897	27,796
State of Missouri (Note 3)	0	0
Refunds and other	3,061	4,627
Total Disbursements	<u>16,958</u>	<u>32,423</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	1,781	-11,529
CASH, JANUARY 1	<u>1,387</u>	<u>12,916</u>
CASH, DECEMBER 31	<u>\$ 3,168</u>	<u>1,387</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit C

THIRTY-FOURTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS - NEW MADRID COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CHANGES IN CASH

	City of Tallapoosa	
	Year Ended December 31,	
	<u>1997</u>	<u>1996</u>
RECEIPTS		
Fines, costs, bonds, and other	\$ 3,497	466
Total Receipts	<u>3,497</u>	<u>466</u>
DISBURSEMENTS		
City treasury	3,035	182
State of Missouri (Note 3)	0	0
Refunds and other	462	284
Total Disbursements	<u>3,497</u>	<u>466</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0
CASH, JANUARY 1	<u>0</u>	<u>0</u>
CASH, DECEMBER 31	<u>\$ 0</u>	<u>0</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

THIRTY-FOURTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS - NEW MADRID COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present only selected data for the funds administered by the various municipal divisions of the Thirty-Fourth Judicial Circuit of the state of Missouri located in New Madrid County. The municipal divisions of the city of Howardville and the city of Matthews are reported on separately.

Receipts, disbursements, and changes in cash are presented for each municipal division. The operating costs of each division are paid by the respective municipality and are not included in these financial statements.

The municipal division is responsible for cash bonds posted until case disposition allows appropriate disbursement. Bond monies relating to pending cases, whether in the custody of the city or the municipal division, are included in these financial statements.

B. Basis of Accounting

The Statements of Receipts, Disbursements, and Changes in Cash are prepared on the cash basis of accounting; accordingly, amounts are recognized when they are received or disbursed. This basis of accounting differs from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Fiscal Authority and Responsibility

The municipal divisions account for fines and court costs resulting from prosecution of violations of municipal ordinances before the municipal judge or received through the traffic violations bureau, as well as cash bonds posted. Municipal violations could include traffic offenses, both moving and nonmoving; parking meter and overtime parking offenses; and other violations for which amounts are received by the municipal divisions and remitted to the city treasury. The municipal divisions also may account for restitutions received and disbursed through the divisions.

2. Cash

Section 479.080, RSMo 1994, requires municipal divisions to deposit fines and court costs into the city treasury at least monthly. Some divisions maintain bank accounts into which fines and court costs are deposited and later remitted to the city treasury. Other divisions do not maintain bank accounts, transmitting fines and court costs directly to the city treasury. Escrow bank accounts for bond monies received may be maintained by the city or the municipal division.

At the financial statement dates identified in the table of contents for the years ended 1998, 1997, 1996, all bank account balances reported for the municipal divisions of the Thirty-Fourth Judicial Circuit, New Madrid County, Missouri, were entirely covered by federal depository insurance.

3. Disbursements to State

The municipal divisions collect various amounts that must be remitted to the state of Missouri. These amounts include the surcharges for the Crime Victims' Compensation and Services to Victims Funds, the Peace Officer Standards and Training Commission Fund, and (until July 1, 1997, when municipal divisions were no longer required to assess the surcharge) the Independent Living Center Fund. The state's portions of these amounts are deposited into the city treasury for all municipal divisions, except the municipal divisions of the city of Portageville and the city of Marston. Amounts remitted by the cities to the state are not included in the financial statements.

4. Bonds

Bonds posted by defendants for the city of Canalou Municipal Division are held as cash by the court. The amounts held in cash at year-end could not be determined and, therefore, are not included in the financial statements.

Bonds posted by defendants for the municipal divisions of the city of Gideon, the city of New Madrid, the city of Risco, and the city of Tallapoosa are deposited directly into the city treasury. The amounts held by the cities at year-end could not be determined and, therefore, are not included in the financial statements. In addition, bonds refunded to defendants by the municipal divisions of the city of Gideon and the city of New Madrid could not be determined, and these amounts are not included in the financial statements.

5. City of Parma

Fines, court costs, and bonds which court records indicate were received by the municipal division but not deposited are included in the receipts and are presented as unaccountable disbursements on the financial statement for the year ended June 30, 1998.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Current Recommendations

THIRTY-FOURTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS - NEW MADRID COUNTY, MISSOURI
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S CURRENT RECOMMENDATIONS

We have audited the special-purpose financial statements of the various municipal divisions (other than the city of Parma Municipal Division as of and for the years ended June 30, 1998 and 1997) of the Thirty-Fourth Judicial Circuit, New Madrid County, Missouri, as of and for the years ended June 30, 1998 and 1997; April 30, 1998 and 1997; and December 31, 1998 and 1997, and have issued our report thereon dated September 3, 1998. That report expressed a qualified opinion on the special-purpose financial statements of the municipal divisions of the city of Gideon, the city of Lilbourn, the city of New Madrid, and the city of Marston for the applicable fiscal periods.

We also had planned to audit the special-purpose financial statements of the city of Parma Municipal Division as of and for the years ended June 30, 1998 and 1997 and have issued our report thereon dated May 28, 1999. In that report we did not express an opinion on this special-purpose financial statement.

The following Management Advisory Report presents our findings and recommendations arising from our procedures related to the municipal divisions' special-purpose financial statements. During those procedures, we also identified certain management practices which we believe could be improved. Our procedures were not designed or intended to be a detailed study of every system, procedure, and transaction. Accordingly, the findings presented in the following report should not be considered as all-inclusive of areas where improvements may be needed.

1. City of Gideon Municipal Division

- A. The duties of receiving, recording, and depositing court receipts are not adequately segregated. Currently, the Court Clerk performs all of these duties. There is no independent reconciliation between receipts and deposits. In addition, there is no supervisory review performed of the Court Clerk's functions by an independent person.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for and assets are adequately safeguarded. Internal controls could be improved by segregating the duties of receiving and depositing court monies from recording receipts. If proper segregation of duties cannot be achieved, at a minimum, there should be a supervisory review of the reconciliations between receipts and deposits by an independent person.

- B. We noted the following concerns related to bonds:
- 1) A ledger of bonds received and disbursed is not maintained. Bond monies are deposited along with other court receipts into the city treasury. A bond ledger is necessary to ensure all bonds are recorded and accounted for properly.
 - 2) Monthly listings of open items (liabilities) are not prepared. Monthly listings of open items are necessary to ensure proper accountability over open cases and to ensure monies held in trust are sufficient to meet liabilities.
- C. The court allows defendants to make partial payments on fines and court costs. Accounts receivable records are not adequately maintained and signed payment agreements are not required. Without adequate accounts receivable records, the court cannot effectively monitor and collect monies owed to the court.
- D. A traffic ticket log is maintained by the police department detailing the disposition of individual traffic tickets; however, the numerical sequence of ticket numbers on this log is not accounted for properly. Without a proper accounting of the numerical sequence and ultimate disposition of traffic tickets, the police department and the municipal division cannot be assured all tickets are submitted to the court for processing.
- E. Crime Victims' Compensation (CVC), Law Enforcement Training (LET), and Peace Officers' Standards and Training Commission (POSTC) fees are assessed on dismissed cases. Sections 590.140 and 595.045, RSMo Cumulative Supp. 1998, require that these fees not be charged on dismissed cases.
- F. The Court Clerk did not forward required records of convictions on traffic offenses to the Missouri State Highway Patrol (MSHP) for 12 of 16 (75 percent) tickets reviewed. Section 302.225, RSMo Cumulative Supp. 1998, requires any plea or finding of guilty on traffic violations under the laws of the state, county, or municipal ordinance to be forwarded to the MSHP within ten days of the conviction date.

Conditions A, B, D and F were also noted in the prior report.

WE RECOMMEND the city of Gideon Municipal Division:

- A. Adequately segregate the duties or establish a documented supervisory review of the reconciliations between receipts and deposits by an independent person.
- B.1. Maintain a bond ledger to account for bond receipts and disbursements.
2. Prepare monthly listings of open items (liabilities) and reconcile the listings to monies held in trust.

- C. Maintain adequate accounts receivable records including signed payment agreements and a control ledger. Periodically reconcile the control ledger to the remaining balance on the individual payment agreements.
- D. Work with the police department to account for the numerical sequence and ultimate disposition of all tickets issued.
- E. Assess court costs in accordance with state law.
- F. Forward records of convictions on traffic offenses to the MSHP as required by state law. In addition, court files should be reviewed for applicable tickets that should be forwarded to the MSHP.

AUDITEE'S RESPONSE

The Court Clerk responded as follows:

- A. *A receipts and disbursements ledger has been implemented with the majority of entries made by the City Clerk.*

The receipts and disbursements ledger is reconciled with bank statements monthly by the City Treasurer.

A bank account separate from all other city funds has been established for the court. All monies collected for the court are kept separate from all city funds.

- B.1. *A bond ledger has been implemented for all bonds posted.*
- 2. *Open items will be reconciled to monies held in trust at the end of each month.*
- C. *Signed payment agreements are being done. A ledger has been implemented that lists all fines due with no or partial payments made.*
- D. *Traffic tickets are being issued in a numerical sequence by the Police Department and a log is maintained for each ticket book.*
- E. *CVC, LET and POSTC are no longer collected on dismissed cases.*
- F. *Traffic offense conviction tickets are being sent to the MSHP.*

2.	City of Lilbourn Municipal Division
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- A. The duties of receiving, recording, and depositing monies are not adequately segregated. Currently, the Court Clerk performs all of these duties. There is no independent reconciliation between receipts and deposits. In addition, there is no supervisory review performed of the Court Clerk's functions by an independent person.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for and assets are adequately safeguarded. Internal controls could be improved by segregating the duties of receiving and depositing court monies from recording receipts. If proper segregation of duties cannot be achieved, at a minimum, there should be a supervisory review of the reconciliations between receipts and deposits by an independent person.

- B. Some police officers who collect fines, court costs, and bonds, are not covered by an employee bond. Failure to properly bond all persons with access to assets exposes the municipal division and city to risk of loss.

- C. Neither the police department nor the municipal division maintains adequate records to account for traffic tickets assigned and issued, and the ultimate disposition of traffic tickets and complaint forms. Without a proper accounting of the numerical sequence and ultimate disposition of traffic tickets and complaint forms, the police department and the municipal division cannot be assured all tickets and complaint forms are submitted to the court for processing.

- D. We noted the following concerns related to bonds:

- 1) A ledger of bonds received and disbursed is not maintained. Bond monies are deposited into a separate bond account. A bond ledger is necessary to ensure all bonds are recorded and accounted for properly.
- 2) Monthly listings of open items (liabilities) are not prepared. Monthly listings of open items are necessary to ensure proper accountability over open cases and to ensure monies held in trust are sufficient to meet liabilities.

- E. The court allows defendants to make partial payments on fines and court costs. Accounts receivable records are not adequately maintained and signed payment agreements were not obtained for some defendants.

Without adequate accounts receivable records, the court cannot effectively monitor and collect monies owed to the court.

- F. Although the municipal division operates a traffic violations bureau (TVB) that allows certain offenses to be paid prior to the court date, a court order has not been issued to formally establish the TVB.

Section 479.050, RSMo 1994, states that a TVB may be established by the Municipal Judge. Supreme Court Rule No. 37.49 requires the Municipal Judge to establish the TVB by court order, to designate a TVB clerk, and to establish by schedule the amount of fines and court costs to be imposed for each offense.

- G. We noted instances in which the amount of court costs totaled \$17. Section 488.012, RSMo Cumulative Supp. 1998, states court costs may be collected in an amount not to exceed \$12 per case.

Conditions A, D, and F were also noted in the prior report.

WE RECOMMEND the city of Lilbourn Municipal Division:

- A. Adequately segregate the duties or establish a documented supervisory review of the reconciliations between receipts and deposits by an independent person.
- B. Request the city obtain adequate bond coverage for all persons handling court monies.
- C. Work with the police department to account for the numerical sequence and ultimate disposition of all tickets and complaint forms issued.
- D.1. Maintain a bond ledger to account for bond receipts and disbursements.
 - 2. Prepare monthly listings of open items (liabilities) and reconcile the listings to monies held in trust.
- E. Maintain adequate accounts receivable records including signed payment agreements and a control ledger. Periodically reconcile the control ledger to the remaining balance on the individual payment agreements.
- F. Prepare a court order to authorize the establishment of a TVB.
- G. Assess court costs in accordance with state law.

AUDITEE'S RESPONSE

The Municipal Judge and Court Clerk responded as follows:

- A. *The Judge and Clerk will review the receipts, deposits and court dockets on a monthly basis.*
- B. *Currently, the Police Chief is bonded and is the only other person authorized to collect court monies.*

- C. *The Clerk will maintain a ledger of UTTs and complaint forms in numerical sequence. The Police Chief will maintain a numerical listing of tickets and complaints. The Court Clerk, Judge, and Police Chief will compare the listing periodically.*
- D.1. *A bond ledger is now being maintained. We will continue to maintain this ledger.*
 - 2. *The bond ledger will achieve this objective.*
- E. *The court has and will continue to use signed payment agreements and ledger sheets for anyone owing money to the court. We will continue to reconcile the ledger to payment agreements.*
- F. *The Judge will prepare a court order to authorize a TVB.*
- G. *The court costs have been changed to \$12 per case.*

3.	City of Marston Municipal Division
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- A. The duties of receiving, recording, depositing, and disbursing court receipts are not adequately segregated. Currently, the Court Clerk performs all of these duties. There is no independent reconciliation between receipts and deposits. In addition, there is no supervisory review performed of the Court Clerk's functions by an independent person.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by segregating the duties of receiving and depositing court monies from recording receipts. If proper segregation of duties cannot be achieved, at a minimum, there should be a supervisory review of the reconciliations between receipts and deposits by an independent person.
- B. We noted the following concerns related to bonds:
 - 1) A ledger of bonds received and disbursed is not maintained. Bond monies are deposited into the court bank account. A bond ledger is necessary to ensure all bonds are recorded and accounted for properly.
 - 2) Monthly listings of open items (liabilities) are not prepared. Monthly listings of open items are necessary to ensure proper accountability over open cases and to ensure monies held in trust are sufficient to meet liabilities.
- C. Neither the police department nor the municipal division maintains adequate records to account for summonses issued, and their ultimate disposition. Without a proper

accounting of the numerical sequence and ultimate disposition of summonses, the police department and the municipal division cannot be assured all summonses are submitted to the court for processing.

These conditions were also noted in the prior report.

WE AGAIN RECOMMEND the city of Marston Municipal Division:

- A. Adequately segregate the duties or establish a documented supervisory review of the reconciliation between receipts and deposits by an independent person.
- B.1. Maintain a bond ledger to account for bond receipts and disbursements.
 - 2. Prepare monthly listings of open items and reconcile the listings to monies held in trust.
- C. Work with the police department to account for the numerical sequence and ultimate disposition of all summonses.

AUDITEE'S RESPONSE

The Municipal Judge and Court Clerk responded as follows:

- A. *This has been implemented. The duties of receiving, recording and depositing court receipts is done by the Court Clerk. Disbursing court receipts is done by two members of City Council. Disbursements (check signing) are done by two persons other than the Court Clerk. The receipts and disbursements are supervised or reviewed by a member of City Council, including a reconciliation between receipts and deposits.*
- B. *A bond ledger is presently being kept and reconciled to the bank statement monthly.*
- C. *A new system for complaint/summons forms has been implemented. These are prenumbered. When a complaint is made, a case number is assigned immediately.*

4. City of Morehouse Municipal Division
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We noted the following concerns related to bonds:

- A. A ledger of bonds received and disbursed is not maintained. Bond monies are deposited into a separate bond account. A bond ledger is necessary to ensure all bonds are recorded and accounted for properly.
- B. Monthly listings of open items (liabilities) are not prepared. Monthly listings of open items are necessary to ensure proper accountability over open cases and to ensure monies held in trust are sufficient to meet liabilities.

These conditions were also noted in the prior report.

WE AGAIN RECOMMEND the city of Morehouse Municipal Division:

- A. Maintain a bond ledger to account for bond receipts and disbursements.
- B. Prepare monthly listings of open items and reconcile the listings to monies held in trust.

AUDITEE'S RESPONSE

The Municipal Judge and Court Clerk responded as follows:

- A. *A bond ledger is being set up and will be maintained in the future.*
- B. *The Court Clerk has prepared a monthly list of liabilities, beginning with January 1999.*

5. City of New Madrid Municipal Division

- A. We noted the following concerns related to bonds:
 - 1) A ledger of bonds received and disbursed is not maintained. Bond monies are deposited along with other court receipts into the city treasury. A bond ledger is necessary to ensure all bonds are recorded and accounted for properly.
 - 2) Monthly listings of open items (liabilities) are not prepared. Monthly listings of open items are necessary to ensure proper accountability over open cases and to ensure monies held in trust are sufficient to meet liabilities.

B. Although the municipal division operates as a traffic violations bureau (TVB) that allows certain offenses to be paid prior to the court date, a court order has not been issued to formally establish the TVB.

Section 479.050, RSMo 1994, states that a TVB may be established by the Municipal Judge. Supreme Court Rule 37.49 requires the Municipal Judge to establish the TVB by court order, to designate a TVB clerk, and to establish by schedule the amount of fines and costs to be imposed for each offense. In addition, the schedule of fines and costs is required to be prominently posted at the TVB.

C. The Police Department uses complaint forms that are not prenumbered by the printer. Complaint forms are issued for non-traffic violations which occasionally result in the

payment of fines and court costs. In addition, a log is not maintained to account for the complaint forms and their ultimate disposition.

To ensure all complaints forms are properly submitted to the court, prenumbered complaint forms should be issued and their numerical sequence accounted for properly.

- D. The Municipal Judge collected \$396 from May 1993 through September 1996, when he turned the monies over to the Court Clerk. These monies could not be identified with any court case and have not been deposited or credited. Unidentified amounts should be remitted to the state's Unclaimed Property Section in accordance with Sections 447.500 through 447.595, RSMo 1994.

Conditions A, C and D were also noted in the prior report.

WE RECOMMEND the city of New Madrid Municipal Division:

- A.1. Maintain a bond ledger to account for bond receipts and disbursements.
 - 2. Prepare monthly listings of open items (liabilities) and reconcile the listings to monies held in trust.
- B. Prepare a court order to authorize the establishment of a TVB.
- C. Request the police department issue prenumbered complaint forms and account for the numerical sequence and ultimate disposition of all forms.
- D. Determine the proper disposition for the \$396 or remit it to the state's Unclaimed Property Section.

AUDITEE'S RESPONSE

The Municipal Judge and Court Clerk responded as follows:

- A.1. *A separate bond ledger to account for bond receipts and disbursements is now being prepared in addition to a record of bonds received and bonds disbursed in the general ledger.*
 - 2. *The bond ledger is reconciled on a monthly basis.*
- B. *A court order authorizing TVB has been completed.*
- C. *Numbered complaints forms will be implemented on the next order.*
- D. *The \$396 collected by Judge has been deposited to the Police Fund.*

- A. The city of Parma Municipal Division accepts cash, checks, and money orders for payment of fines, court costs, and bonds. Payments prior to court and during court are received by the Court Clerk. The Police Chief may also receive payments in the absence of the Court Clerk. During our review of court receipt records and deposits we noted that receipts exceeded deposits by \$1,581 for the two years ended June 30, 1998, and the period July 1, 1998 through May 11, 1999. In addition, we noted a \$70 payment which was received by the Police Chief in March 1999 but was not recorded or deposited by the court.

On four occasions between July 1, 1997 and September 8, 1998, the Court Clerk documented in the cash control ledger that she noted shortages in court receipts totaling \$421. There was no explanation for the shortages. Prior to September 8, 1998, court monies were kept in a file cabinet in the Court Clerk's office until they were deposited. Both the office and the file cabinet were locked at night, however, numerous city employees and officials had a key to the office. When the Court Clerk noted a \$300 shortage on the September 8, 1998 deposit, she reported the shortage to the Mayor. In response, the city purchased a safe to secure court monies and changed the lock on the Court Clerk's office. No subsequent shortages were noted.

The misappropriation of court receipts was allowed to occur, and the full extent of misappropriation was not detected on a timely basis due to several internal control weaknesses as discussed below. Many of these weaknesses were also noted in our prior report.

- B. The duties of receiving, recording, depositing, and disbursing court receipts are not adequately segregated. Currently, the Court Clerk performs all of these duties. There is no independent reconciliation between receipts and deposits. In addition, there is no supervisory review performed of the Court Clerk's functions by an independent person.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for and assets are adequately safeguarded. Internal controls could be improved by segregating the duties of receiving and depositing court monies from recording receipts. If proper segregation of duties cannot be achieved, at a minimum, there should be a supervisory review of the reconciliations between receipts and deposits by an independent person.

- C. Neither the police department nor the municipal division maintain adequate records to account for complaint forms and traffic tickets issued and their ultimate disposition. Without a proper accounting of the numerical sequence and the ultimate

disposition of traffic tickets and complaint forms, the police department and the municipal division cannot be assured all tickets and complaint forms are submitted to the court for processing.

- D. The cash control ledger does not have a running balance which can be reconciled to other accounting records and bank records. A complete and accurate cash control record is necessary for reconciliation procedures between the accounting records and cash in the bank as well as to detect errors on a timely basis.
- E. We noted the following concerns related to bonds:
- 1) A ledger of bonds received and disbursed is not maintained. Bond monies are deposited along with other court receipts into the court account. A bond ledger is necessary to ensure all bonds are recorded and accounted for properly.
 - 2) Monthly listings of open items (liabilities) are not prepared. Monthly listings of open items are necessary to ensure proper accountability over open cases and to ensure monies held in trust are sufficient to meet liabilities.
- F. CVC and POSTC fees are collected and turned over to the city. However, the city has not remitted the state's share of these collections to the state. Our review noted that total CVC and POSTC collections due the state for the years ended June 30, 1998 and 1997 are \$2,009 and \$1,903, respectively.

Section 595.045, RSMo Cumulative Supp. 1998, requires 95 percent of CVC collections be paid monthly to the state. Effective July 1, 1997, Section 590.100, RSMo Cumulative Supp. 1998, requires that 100 percent of POSTC collections be paid monthly to the state.

- G. Although the municipal division operates as a Traffic Violations Bureau (TVB) that allows certain offenses to be paid prior to the court date, a court order formally establishing the TVB has not been issued.

Section 479.080, RSMo 1994 states that a TVB may be established by the Municipal Judge. Supreme Court Rule 37.49 requires the Municipal Judge to establish the TVB by court order, to designate a TVB clerk, to designate the offenses within the authority of the TVB clerk, and to establish by schedule, which is to be prominently posted at the TVB, the amount of fines and costs to be imposed for each offense.

- H. Some cases heard before the Municipal Judge were not listed on the court docket. Section 479.070, RSMo 1994 requires the proceedings for every case be entered on the court docket. To ensure all cases have been accounted for, court dockets listing all cases and the disposition of those cases should be prepared and retained.

- I. Fines assessed did not always agree with those on the established fine schedule. In addition, the Municipal Judge did not sign the court docket to indicate his approval of the amounts assessed. To ensure the proper amount of fines and court costs are collected, amounts collected should agree to the TVB schedule unless a different amount is assessed and documented by the Municipal Judge.

Conditions B, C, D, E, F, G, and I were noted in the prior report.

Because of the problems noted above, we were unable to express an opinion on the financial statements of the city of Parma Municipal Division as of and for the years ended June 30, 1998 and 1997. These deficiencies are serious and should be corrected immediately.

WE RECOMMEND the city of Parma Municipal Division:

- A. Along with the city, review the situation and discuss with the Prosecuting Attorney possible legal actions.
- B. Adequately segregate the duties or establish a documented supervisory review of the reconciliation between receipts and deposits by an independent person.
- C. Work with the police department to account for the numerical sequence and ultimate disposition of all complaint forms and tickets issued.
- D. Maintain a running balance in the cash control ledger and reconcile the cash control ledger balance to accounting records and the monthly bank reconciliation.
- E.1. Maintain a bond ledger to account for bond receipts and disbursements.
 - 2. Prepare monthly listings of open items (liabilities) and reconcile the listings to monies held in trust.
- F. Request the city remit 95 percent of CVC and 100 percent of POSTC collections to the state monthly in accordance with state law. In addition, the \$2,009 of CVC and \$1,903 of POSTC fees should be promptly remitted to the state for the two years ended June 30, 1998.
- G. Prepare a court order to authorize the establishment of a TVB.
- H. Document all court actions on the court docket.
- I. Collect the proper amount of fines and court costs in accordance with the TVB schedule or in accordance with the Municipal Judge's order. The municipal division should also document fines and costs assessed in accordance with the Municipal Judge's orders and those not appearing on the established fine schedule.

AUDITEE'S RESPONSE

The Court Clerk responded as follows:

- A. *The Court Clerk, Judge and Mayor will discuss this matter.*
- B. *The City Clerk or Treasurer will review the Court Clerk report, receipt slips and deposit slips.*
- C. *Will continue to work with the police department to account for the numerical sequence and disposition.*
- D&H. *These recommendations have been implemented.*
- E.1. *This finding will be implemented. A bond ledger will be kept to show receipts and disbursements.*
 - 2. *The recommendation will be implemented. An open items listing is prepared monthly.*
- F. *Will consult with the Mayor to reassure the necessary funds are submitted and all future fees are submitted monthly to the state.*
- G. *Will discuss this with the Judge.*
- I. *Will discuss this with the Municipal Judge. Fines and costs were ordered by Judge but he did not sign off. Will make sure Judge signs off on all dockets.*

7. City of Portageville Municipal Division

- A. Police officers who collect fines, court costs and bond monies are not covered by an employee bond. Failure to properly bond all persons with access to assets exposes the municipal division and city to risk of loss.
- B. The Court Clerk accepts cash, checks and money orders for the payment of fines, court costs, bonds and restitution; however, these receipts are not deposited on a timely basis, with deposits averaging greater than \$800 being made approximately twice weekly. To adequately safeguard receipts and reduce the risk of loss or misuse of funds, deposits should be made daily or when accumulated receipts exceed \$100.

Condition A was also noted in the prior report.

WE RECOMMEND the city of Portageville Municipal Division:

- A. Request the city obtain bond coverage for all persons handling court monies.

- B. Deposit receipts daily or when accumulated receipts exceed \$100.

AUDITEE'S RESPONSE

The Municipal Judge and Court Clerk responded as follows:

- A. *The Municipal Judge requested the City Board to obtain bond coverage for all people handling the court funds after the prior report. The City Board opted to bond only the Court Clerk and the Judge. This request will be made again.*
- B. *The Judge is responsible for all monies taken in by the court. The money is deposited as soon as possible after received.*

8. City of Tallapoosa Municipal Division

- A. The duties of receiving, recording, and depositing court receipts are not adequately segregated. Currently, the Court Clerk performs all of these duties. There is no independent reconciliation between receipts and deposits. In addition, there is no supervisory review performed of the Court Clerk's functions by an independent person.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for and assets are adequately safeguarded. Internal controls could be improved by segregating the duties of receiving and depositing court monies from recording receipts. If proper segregation of duties cannot be achieved, at a minimum, there should be a supervisory review of the reconciliation between receipts and deposits by an independent person.

- B. Our review noted the following concerns related to receipts:
 - 1) Receipt slips issued for the receipt of fines and court costs are not prenumbered. To adequately account for all receipts, prenumbered receipt slips should be issued and the numerical sequence should be accounted for properly.
 - 2) The municipal division accepts cash, checks, and money orders for payments of fines, court costs, bonds, and restitution. The method of payment is not always indicated on receipt slips. To ensure monies received are deposited, the method of payment should be recorded on the receipt slip and reconciled to the composition of bank deposits.
- C. CVC fees are collected and deposited into the city treasury. However, the city has not remitted the state's share of these collections to the state. Section 595.045,

RSMo Cumulative Supp. 1997, requires a \$5 CVC fee be charged on all cases for violations of municipal ordinances, except those dismissed by the Judge and requires that 95 percent of CVC fees be paid monthly to the state.

- D. The Court Clerk did not forward required records of convictions on traffic offenses to the Missouri State Highway Patrol (MSHP). Section 302.225, RSMo Cumulative Supp. 1997, requires any plea or finding of guilty on traffic violations under the laws of the state, county, or municipal ordinance to be forwarded to the MSHP within ten days of the conviction date.

These conditions were also noted in the prior report.

WE AGAIN RECOMMEND the city of Tallapoosa Municipal Division:

- A. Adequately segregate the duties or establish a documented supervisory review of the reconciliation between receipts and deposits by an independent person.
- B.1. Issue prenumbered receipt slips for all monies received and account for the numerical sequence of the receipt slips.
 - 2. Indicate the method of payment on each receipt slip issued and reconcile the composition of receipt slips to the composition of bank deposits.
- C. Request the city remit 95 percent of all CVC fees to the state monthly as required by state law.
- D. Forward records of convictions on traffic offenses to the MSHP as required by state law. In addition, court files should be reviewed for applicable tickets that should be forwarded to the MSHP.

AUDITEE'S RESPONSE

The Municipal Judge and Court Clerk responded as follows:

- A. *The Court Clerk reviews the financial information with the Mayor and Board of Alderman at their monthly meetings.*
- B.1. *All receipt slips will now be numbered.*
- B.2. *Cash or check will be recorded on the receipt slips.*
- C. *Up until the last 1 1/2 to 2 years, the court did not have very much activity and the Clerk did not know how to handle CVC collections. With the Judge's advice we have now sent the payment to the state.*

D. These records have now been sent to the MSHP.

This report is intended for the information of the management of the various municipal divisions of the Thirty-Fourth Judicial Circuit, New Madrid County, Missouri, and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

Follow-Up on State Auditor's Prior Recommendations

THIRTY-FOURTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS - NEW MADRID COUNTY, MISSOURI
FOLLOW-UP ON STATE AUDITOR'S PRIOR RECOMMENDATIONS

This section reports follow-up action taken by ten of the municipal divisions of the Thirty-Fourth Judicial Circuit, New Madrid County, Missouri, on recommendations made in the Management Advisory Report (MAR) of our report issued for the three years ended 1993, 1992, and 1991. The prior recommendations which have not been implemented, but are considered significant, have been repeated in the current MAR. Although the remaining unimplemented recommendations have not been repeated, the municipal division should consider implementing these recommendations.

1. City of Canalou Municipal Division

- A. The duties of receiving, recording, and depositing court receipts were not adequately segregated.
- B. Our review noted the following concerns related to receipts:
 - 1) The Court Clerk did not issue receipt slips for some court monies.
 - 2) Receipt slips were not prenumbered.
 - 3) Receipt slips did not indicate the method of payment.
- C. Our review noted the following concerns related to cash bonds:
 - 1) Cash bonds were not deposited into a bank account, but were held by the Court Clerk until disposition of the case.
 - 2) A ledger of bonds received and disbursed was not maintained.
- D. Neither the police department nor the court maintained adequate records to account for all traffic tickets and summons/complaint forms.
 - 1) Records were not maintained to account for the numerical sequence of all traffic tickets, whether issued, lost or voided, and their ultimate disposition.
 - 2) The police department used only one traffic ticket book at a time; however, the traffic ticket books were not always used in numerical sequence.
 - 3) The police department issued summons/complaint forms for non-traffic ordinance violations. These forms were not prenumbered.
- E. Our review noted CVC fees had not been remitted to the state Department of Revenue (DOR) on a monthly basis as required by state law.

Recommendation:

The city of Canalou Municipal Division:

- A. Adequately segregate the duties of receiving, recording, and depositing court receipts. At a minimum, there should be a documented supervisory review of the reconciliation between receipts and deposits.
- B.1.
&2. Issue prenumbered receipt slips for all monies received and account for the numerical sequence.
- 3. Indicate the method of payment on each receipt slip issued and reconcile total cash, checks, and money orders received to bank deposits.
- C.1. Open a bank account for the deposit of all cash bonds, and make subsequent disbursements of the bonds by check.
- 2. Maintain a bond ledger to account for bond receipts, forfeitures, refunds, and balances. The ledger should be reconciled monthly to the bonds held in trust by the court.
- D.1. Work with the police department to ensure records are maintained to account for the numerical sequence of all traffic tickets. A system should also be developed to account for the ultimate disposition of all traffic tickets.
- 2. Request the police department to use all traffic tickets in numerical sequence.
- 3. Obtain and use prenumbered summons/complaint forms for non-traffic ordinance violations and account for the numerical sequence of these forms.
- E. Ensure all CVC fees are remitted to the state monthly as required by state law.

Status:

A, C,
D, & E. Not implemented. The city of Canalou Municipal Division only handled four cases during the year ended June 30, 1998. As a result, we have not repeated these findings in our current report. However, our recommendations remain as stated above.

B. Implemented.

2. City of Gideon Municipal Division

- A. The duties of issuing traffic tickets, and receiving, recording, and transmitting court receipts were not adequately segregated.

- B. We noted the following concerns related to bonds:
 - 1) A ledger of bonds received and disbursed was not maintained.
 - 2) Monthly listings of open items (liabilities) were not prepared.
- C. Receipt slips issued by the Police Chief and the City Clerk did not indicate the method of payment received.
- D. We noted the following concerns related to traffic tickets and summonses issued by the police department:
 - 1) Ticket books were not always assigned to the officers in numerical sequence.
 - 2) No record was kept of the ultimate disposition of each traffic ticket.
 - 3) Summonses issued by the police department for nontraffic ordinance violations were not prenumbered, and no records were maintained to account for the issuance and disposition of summonses.
- E. The court charged a \$5 LET fee.
- F. The Court Clerk did not forward required records of convictions on traffic offenses to the MSHP.

Recommendation:

The city of Gideon Municipal Division:

- A. Adequately segregate the duties of issuing traffic tickets from the duties of receiving fines and court costs and depositing fines and court costs into the city treasury. At a minimum, there should be a documented supervisory review of the numerical sequence of traffic tickets and reconciliations between receipts and deposits.
- B.1. Maintain a bond ledger to account for bond receipts, forfeitures, refunds, and balances.
 - 2. Prepare monthly listings of open items (liabilities) and reconcile these listings to monies held in trust by the city.
- C. Indicate the method of payment on each receipt slip issued and reconcile total cash, checks, and money orders received to amounts deposited.
- D. Request the police department to assign all traffic tickets and summonses in numerical sequence and to account for the numerical sequence of all tickets and summonses assigned, issued, and the ultimate disposition.
- E. Collect only \$2 for the LET fee as allowed by state law.

- F. Forward all required records of convictions on traffic offenses to the MSHP within ten days as required by state law. In addition, court files should be reviewed for applicable tickets that should be forwarded to the MSHP.

Status:

A,B,
D&F. Not implemented. See MAR No. 1

C,&
E. Implemented.

3. City of Lilbourn Municipal Division

- A. The duties of receiving, recording, and depositing court receipts were not adequately segregated.
- B. Receipt slips were not prenumbered and did not indicate the method of payment.
- C. Cash bonds were not deposited into a bank account, but were held by the Court Clerk until disposition of the case.
- D. A ledger of bonds received and disbursed was not maintained.
- E. The municipal court allowed fines and court costs for certain offenses to be paid to the Court Clerk at the traffic violations bureau (TVB). The TVB was not established by a court order.
- F. The municipal division did not include all cases and their disposition on the court docket.
- G. The Court Clerk did not forward the required records of convictions on traffic offenses to the Missouri State Highway Patrol (MSHP).

Recommendation:

The city of Lilbourn Municipal Division:

- A. Adequately segregate the duties of receiving, recording, and depositing court receipts.
- B. Request the police department to issue prenumbered receipt slips for all monies received and indicate the method of payment on each receipt slip issued. The police department should also account for the numerical sequence of the receipt slips issued and reconcile total cash, check, and money orders received to amounts transmitted to the city.
- C. Open a bank account for the deposit of all cash bonds and make subsequent disbursements of the bonds by check.

- D. Maintain a bond ledger to account for bond receipts, forfeitures, refunds, and balances. The ledger should be reconciled monthly to the bonds held in trust by the city.
- E. Prepare a court order to authorize the establishment of a TVB, to designate a TVB clerk, to designate the offenses within the authority of the TVB clerk, and to prominently post a schedule of fines and costs for each offense.
- F. Prepare and retain court dockets listing all cases commenced before the court and the disposition of those cases.
- G. Forward all required records of convictions on traffic offenses to the MSHP within ten days as required by state law. In addition, court files should be reviewed for applicable tickets that should be forwarded to the MSHP.

Status:

A, D,
&E. Not implemented. See MAR No. 2.

B& F. Implemented.

- C. Partially implemented. Bonds are deposited into the bond account, however payments of fines and costs received prior to court is held by the Court Clerk until disposition of the case. Although not repeated in our current report, our recommendation remains as stated above.
- G. Partially implemented. Minor errors were noted. Although not repeated in our current report, our recommendation remains as stated above.

4. City of Marston Municipal Division

- A. It appeared that other city receipts were deposited into the city's general fund bank account in place of court monies and that the court monies which were not deposited were missing.
- B. The duties of receiving, recording, and depositing court receipts were not adequately segregated.
- C. Court receipts were commingled with other city monies upon collection. These receipts were not deposited intact or on a timely basis.
- D. Receipt slips were not issued for all monies received.
- E. Monthly listings of open items (liabilities) were not prepared.
- F. The court collected Crime Victims' Compensation (CVC) fees and Law Enforcement Training (LET) fees on all traffic violations, including nonmoving traffic violations, and did not charge these fees on non-traffic ordinance violations.

- G. Records were not maintained to account for the numerical sequence of tickets issued.
- H. The police department issued summonses for non-traffic ordinance violations. These summonses were not prenumbered.

Recommendation:

The city of Marston Municipal Division:

- A.1. Along with the city, review the situation and take the necessary actions to obtain restitution of the \$6,013.
 - 2. Request the city officials obtain an independent audit of the city.
- B. Adequately segregate the duties of receiving, recording, and depositing court and city receipts.
- C. Deposit all court receipts intact on a daily basis or when accumulated receipts exceed \$100.
- D. Issue prenumbered receipt slips for all monies received. In addition, deposits should be reconciled to receipt slips to ensure that all collections are deposited intact.
- E. Prepare monthly listings of open items (liabilities) and reconcile these listings to the bank balance.
- F. Collect the \$5 CVC fee and the \$2 LET fee on all violations of municipal ordinances, except for nonmoving traffic violations and cases dismissed by the court, in accordance with state law.
- G. Work with the police department to ensure ticket books are used in numerical sequence and records are maintained to account for the numerical sequence of all traffic tickets. A system should also be developed to account for the ultimate disposition of all traffic tickets.
- H. Obtain and use prenumbered summonses for non-traffic ordinance violations and account for the numerical sequence of those summonses.

Status:

- A.1. The situation was reviewed and the Court Clerk resigned; however, no restitution was made.
- A.2.,
C, D,
F.&G. Implemented.
- B&E. Not implemented. See MAR No. 3.

- H. Partially implemented. Summonses are prenumbered by the printer, however, a log is not maintained to account for their numerical sequence and ultimate disposition. See MAR No. 3.

5. City of Morehouse Municipal Division

- A. Our review noted the following concerns related to receipts:
 - 1) The Court Clerk and City Clerk did not issue receipt slips for some court monies received.
 - 2) Receipts were deposited four or five times a month.
 - 3) For six of 114 (5 percent) cases which we reviewed we were unable to trace the receipt of money to an entry on the monthly reports.
- B. We noted the following concerns related to bonds:
 - 1) A ledger or listing of bonds received and disbursed was not maintained.
 - 2) Monthly listings of open items (liabilities) were not prepared.
- C. Neither the police department nor the court maintained adequate records to account for all traffic tickets.
 - 1) Records were not maintained to account for the numerical sequence of tickets issued. In addition, the municipal division did not record the disposition of voided or lost tickets, nor follow up on unused tickets not returned by the police officers.
 - 2) The police department issued some traffic tickets which were not within the series of numbers assigned to the police department by the MSHP.
- D. The court did not charge CVC fees on any cases.
- E. The court collected LET fees on all traffic and nontraffic ordinance violations, including nonmoving traffic violations.
- F. Some cases heard before the Municipal Judge were not listed on the court docket.
- G. A Traffic Violations Bureau had not been established by a court order. In addition, a schedule which specifies the offenses which may be paid at the TVB and the amount of fines and costs to be imposed for each offense had not been prominently posted.
- H. During our review we noted five of thirty-six (14 percent) cases in which the amount of fine and costs collected by the Court Clerk did not agree to the traffic violations bureau (TVB) schedule.
- I. The court did not forward some required records of convictions on traffic offenses to the Missouri State Highway Patrol (MSHP).

Recommendation:

The city of Morehouse Municipal Division:

- A.1. Issue prenumbered receipt slips for all monies received.
 2. Deposit receipts daily or when accumulated receipts exceed \$100.
 3. Maintain accurate and consistent records which adequately document the receipt and deposit of all monies and any amounts which remain due on the cases.
- B.1. Maintain a bond ledger to account for bond receipts, forfeitures, refunds, and balances.
 2. Prepare monthly listings of open items (liabilities) and reconcile these listings to monies held in trust by the city.
- C.1. Work with the police department to ensure records are maintained to account for the numerical sequence of all traffic tickets. A system should also be developed to account for the ultimate disposition of all traffic tickets.
 2. Obtain and use prenumbered traffic tickets within the series of numbers assigned to the police department by the MSHP for all offenses.
- D. Collect the \$5 CVC fee on all violations of municipal ordinances, except for nonmoving traffic violations and cases dismissed by the court, in accordance with state law. In addition, 95 percent of all CVC fees collected should be remitted to the state monthly as required by state law.
- E. Collect the \$2 LET fee on all violations of municipal ordinances, except for nonmoving traffic violations and cases dismissed by the court, in accordance with state law.
- F. Record on the court docket all cases heard before the Municipal Judge.
- G. Prepare a court order to authorize the establishment of a TVB and prominently post a schedule which specifies the offenses which may be paid at the TVB and the amount of fines and costs to be imposed for each offense.
- H. Collect the proper amount of fines and court costs in accordance with the TVB schedule or in accordance with the Municipal Judge's order.
- I. Forward all required records of convictions on traffic offenses to the MSHP within ten days as required by state law. In addition, court files should be reviewed for applicable tickets that should be forwarded to the MSHP.

Status:

A,C,F,
H&I. Implemented.

- B. Not implemented. See MAR No. 4.
- D&E. Based on statutory changes effective July 1, 1997, LET and CVC fees are to be collected on all cases, including nonmoving traffic violations.
- G. Partially implemented. A TVB has been established by court order, however the fine schedule has not been posted. Although not repeated in our current report, our recommendation remains as stated above.

6. City of New Madrid Municipal Division

- A. The duties of receiving, recording, depositing, and reconciling court receipts were not adequately segregated.
- B. Our review noted the following concerns related to cash bonds:
 - 1) Cash bonds were not deposited into a bank account, but were held by the Court Clerk until disposition of the case.
 - 2) A ledger of bonds received and disbursed was not maintained.
- C. Our review noted the following concerns related to receipts:
 - 1) Receipts were deposited weekly.
 - 2) Receipt slips issued by the court did not indicate the method of payments received.
- D. Summonses issued by the police department for nontraffic ordinance violations were not prenumbered, and records were not maintained to account for the issuance and disposition of summonses.
- E. Uncollectible accounts written off were not reviewed and approved by the Municipal Judge.
- F. The court did not include all cases and their disposition on the court docket.
- G. The court collected CVC and LET fees on all traffic and nontraffic ordinance violations, including nonmoving traffic violations.
- H. The court allowed fines and court costs for certain offenses to be paid to the Court Clerk at the TVB. The TVB was not established by a court order. In addition, no schedule had been established which specified the offenses which could be paid at the TVB and the amount of fines and costs imposed for each offense.
- I. The court did not forward some required records of convictions on traffic tickets to the MSHP.

Recommendation:

The city of New Madrid Municipal Division:

- A. Adequately segregate the duties of receiving, recording, depositing, and reconciling court receipts. At a minimum, there should be a documented supervisory review of the reconciliation between receipts and deposits.
- B.1. Open a bank account for the deposit of all cash bonds, and make subsequent disbursements of the bonds by check.
 - 2. Maintain a bond ledger to account for bond receipts, forfeitures, refunds, and balances. The ledger should be reconciled monthly to the bonds held in trust by the court.
- C.1. Deposit receipts daily or when accumulated receipts exceed \$100.
 - 2. Indicate the method of payment on each receipt slip issued and reconcile total cash, checks, and money orders received to bank deposits.
- D. Request the police department to obtain and use prenumbered summonses and to account for the numerical sequence of all summonses assigned, issued, and the ultimate disposition.
- E. Ensure that all accounts receivable which are written off as uncollectible are reviewed and approved by the Municipal Judge.
- F. Ensure all cases are included on the court docket.
- G. Collect the \$5 CVC fee and the \$2 LET fee on all violations of municipal ordinances, except for nonmoving traffic violations and cases dismissed by the court, in accordance with state law.
- H. Prepare a court order to authorize the establishment of a TVB, to designate a TVB clerk, to designate the offenses within the authority of the TVB clerk, and to establish by schedule the amount of fines and costs to be imposed for each offense.
- I. Forward all required records of convictions on traffic offenses to the MSHP within ten days as required by state law. In addition, court files should be reviewed for applicable tickets that should be forwarded to the MSHP.

Status:

A,C,E,
F&I. Implemented.

B.2,
D&H. Not implemented. See MAR No. 5.

- B.1. Partially implemented. A bank account was not opened for the municipal division, however, bonds are now deposited into the city's general revenue account and refunds and other disbursements are made by city check. Although not repeated in our current report, our recommendation remains as stated above.
- G. Based on statutory changes effective July 1, 1997, LET and CVC fees are to be collected on all cases, including nonmoving traffic violations.

7. City of Parma Municipal Division

- A. The duties of receiving, recording, and transmitting court receipts were not adequately segregated.
- B. Our review noted the following concerns related to receipts:
 - 1) The Court Clerk did not issue receipt slips for some court monies received.
 - 2) Receipt slips issued by the City Marshall for the receipt of fines, court costs, and bonds were not prenumbered.
 - 3) Receipt slips issued by the City Marshall did not indicate the method of payments received.
 - 4) Receipts were transmitted to the City Treasurer once a month.
- C. Our review noted the following concerns related to cash bonds:
 - 1) Cash bonds were not deposited into a bank account, but were held by the Court Clerk until disposition of the case.
 - 2) A ledger of bonds received and disbursed was not maintained.
- D. The Court Clerk was not bonded.
- E. Neither the police department nor the court maintained adequate records to account for all traffic tickets and summons/complaint forms. During our review, we noted the following:
 - 1) Records were not maintained to account for the numerical sequence of tickets issued. In addition, the municipal division did not record the disposition of voided or lost tickets, nor follow up on unused tickets not returned by the police officers.
 - 2) The police department used only one traffic ticket book at a time; however, the traffic ticket books were not always used in numerical sequence.

- 3) The police department issued summons/complaint forms for non-traffic ordinance violations. These complaint forms were not prenumbered.
- F. The court allowed fines and court costs for certain offenses to be paid to the Court Clerk at the TVB. The TVB was not established by a court order.
 - G. Our review noted the following concerns related to the collection and disbursement of CVC fees and LET fees.
 - 1) Our review noted CVC fees have not been remitted to the state DOR on a monthly basis as required by state law.
 - 2) The court collected CVC fees and LET fees on all traffic and nontraffic ordinance violations, including nonmoving traffic violations.
 - H. We noted twelve of thirty-seven (32 percent) cases in which the amount of fine and costs collected by the Court Clerk did not agree to the TVB schedule.
 - I. The court did not forward some required records of convictions on traffic offenses to the MSHP.

Recommendation:

The city of Parma Municipal Division:

- A. Adequately segregate the duties of receiving, recording, and transmitting court receipts. At a minimum, there should be a documented supervisory review of the reconciliation between receipts and transmittals.
- B.1. Issue prenumbered receipt slips for all monies received and account for the numerical sequence.
- 2&3. Request the City Marshall to obtain and use prenumbered receipt slips and to indicate the method of payment on each receipt slip issued. In addition, the court should reconcile total cash, checks, and money orders received to transmittals to the city.
4. Transmit receipts to the city daily or when accumulated receipts exceed \$100.
- C.1. Open a bank account for the deposit of all cash bonds, and make subsequent disbursements of the bonds by check.
2. Maintain a bond ledger to account for bond receipts, forfeitures, refunds, and balances. The ledger should be reconciled monthly to the bonds held in trust by the court.
- D. Request the city to consider obtaining bond coverage for all individuals handling court monies.

- E.1. Work with the police department to ensure records are maintained to account for the numerical sequence of all traffic tickets. A system should also be developed to account for the ultimate disposition of all traffic tickets.
 - 2. Request the police department to use all traffic tickets in numerical sequence.
 - 3. Obtain and use prenumbered complaint forms for non-traffic ordinance violations and account for the numerical sequence of those complaint forms.
- F. Prepare a court order to authorize the establishment of a TVB, to designate a TVB clerk, to designate the offenses within the authority of the TVB clerk, and to establish by schedule the amount of fines and costs to be imposed for each offense.
- G.1. Ensure all CVC fees are remitted to the state monthly as required by state law.
 - 2. Collect the \$5 CVC fee and the \$2 LET fee on all violations of municipal ordinances, except for nonmoving traffic violations and cases dismissed by the court, in accordance with state law.
- H. Collect the proper amount of fines and court costs in accordance with the TVB schedule or in accordance with the Municipal Judge's order.
- I. Forward all required records of convictions on traffic offenses to the MSHP within ten days as required by state law. In addition, court files should be reviewed for applicable tickets that should be forwarded to the MSHP.

Status:

A,C.2.,
E.1,F,
G.1&H.Not implemented. See MAR No. 6.

B,C.1,
D,E.2.
&I. Implemented.

- E.3. Partially implemented. Complaint forms are prenumbered, however, there are no procedures to account for the numerical sequence of these forms. See MAR No. 6.
- G.2. Based on statutory changes effective July 1, 1997, LET and CVC fees are to be collected on all cases, including nonmoving traffic violations.

8. City of Portageville Municipal Division

- A. Complaint forms issued by the police department for nontraffic ordinance violations were not prenumbered, and records were not maintained to account for the issuance and disposition of these complaint forms.
- B. The Court Clerk and all dispatchers collected fines, court costs, and bonds. The dispatchers were not bonded.

- C. The municipal division charged court costs of \$12, CVC fees of \$5, and LET fees of \$2 on all cases heard before the court; however, for cases in which the individual received more than one ticket, court costs were charged only once, while LET and CVC fees were charged on each ticket.

Recommendation:

The city of Portageville Municipal Division:

- A. Request the police department to obtain and use prenumbered complaint forms and to account for the numerical sequence of all complaint forms assigned, issued, and the ultimate disposition.
- B. Request the city to consider obtaining bond coverage for all individuals handling court monies.
- C. Determine whether an individual ticket or a group of tickets is considered a court proceeding. Court costs, LET fees, and CVC fees should then be consistently charged on each court proceeding.

Status:

- A. Partially implemented. The police department now issues prenumbered summonses for all municipal violations, however, records are not maintained to account for the numerical sequence of the summonses. Although not repeated in our current report, our recommendations remain as stated above.
- B. Not implemented. See MAR No. 7.
- C. Implemented.

9. City of Risco Municipal Division

- A. Neither the police department nor the court maintained adequate records to account for all traffic tickets.
- B. We noted the following concerns related to bonds:
 - 1) A ledger of bonds received and disbursed was not maintained.
 - 2) Monthly listings of open items (liabilities) were not prepared.
- C. Receipt slips issued by the Police Chief and the Court Clerk did not indicate the method of payment received.
- D. Our review noted the following concerns related to the collection and disbursement of CVC fees and LET fees:
 - 1) The court charged a \$5 LET fee on all municipal violations.

- 2) The court did not charge CVC fees or LET fees on some nontraffic ordinance violations.
- 3) Our review noted CVC fees had not been remitted to the state DOR on a monthly basis as required by state law.
- E. The court did not forward some required records of convictions on traffic offenses to the MSHP.

Recommendation:

The city of Risco Municipal Division:

- A. Work with the police department to ensure records are maintained to account for the numerical sequence of all traffic tickets. A system should also be developed to account for the ultimate disposition of all traffic tickets.
- B.1. Maintain a bond ledger to account for bond receipts, forfeitures, refunds, and balances.
 - 2. Prepare monthly listings of open items (liabilities) and reconcile these listings to monies held in trust by the city.
- C. Indicate the method of payment on each receipt slip issued and reconcile total cash, checks, and money orders received to amounts deposited into the city treasury.
- D.1. Collect only \$2 for the LET fee as allowed by state law.
 - 2. Collect the \$5 CVC fee and the \$2 LET fee on all violations of municipal ordinances, except for nonmoving traffic violations and cases dismissed by the court, in accordance with state law.
 - 3. Ensure all CVC fees are remitted to the state monthly as required by state law.
- E. Forward all required records of convictions on traffic offenses to the MSHP within ten days as required by state law. In addition, court files should be reviewed for applicable tickets that should be forwarded to the MSHP.

Status:

Implemented.

10. City of Tallapoosa Municipal Division

- A. The duties of receiving, recording, and depositing court receipts were not adequately segregated.
- B. Our review noted the following concerns related to receipts:
 - 1) Receipt slips were not prenumbered.

- 2) Receipt slips did not indicate the method of payments received.
- 3) The Court Clerk did not issue receipt slips for some court monies received.
- C. Neither the police department nor the court maintained adequate records to account for all traffic tickets and complaint forms.
- D. Some cases heard before the Municipal Judge were not listed on the court docket.
- E. The court did not file with the city a monthly report of all cases heard in court.
- F. The court collected court costs of \$17 on all court cases.
- G. Although the court costs appeared to include CVC fees, the court did not knowingly charge CVC fees on any cases.
- H. The TVB was not established by a court order.
- I. The Court Clerk did not forward required records of convictions on traffic offenses to the MSHP.

Recommendation:

The city of Tallapoosa Municipal Division:

- A. Adequately segregate the duties of receiving, recording, and depositing court receipts. At a minimum, there should be a documented supervisory review of the reconciliation between receipts and deposits.
- B.1. Issue prenumbered receipt slips for all monies received and account for the numerical sequence.
 - 2. Indicate the method of payment on each receipt slip issued and reconcile total cash, checks, and money orders received to bank deposits.
 - 3. Issue prenumbered receipts for all monies received.
- C. Work with the police department to ensure records are maintained to account for the numerical sequence of all tickets and complaint forms. A system should also be developed to account for the ultimate disposition of all tickets and complaint forms.
- D. Record on the court docket all cases heard before the Municipal Judge.
- E. Prepare monthly reports of court actions and file these in accordance with state law.
- F. Collect court costs of only \$12 as allowed by state law.
- G. Collect the \$5 CVC fee on all violations of municipal ordinances, except for nonmoving traffic violations and cases dismissed by the court, in accordance with

state law. In addition, 95 percent of all CVC fees collected should be remitted to the state monthly as required by state law.

- H. Prepare a court order to authorize the establishment of a TVB, to designate a TVB clerk, to designate the offenses within the authority of the TVB clerk, and to establish by schedule the amount of fines and costs to be imposed for each offense.
- I. Forward all required records of convictions on traffic offenses to the MSHP within ten days as required by state law. In addition, court files should be reviewed for applicable tickets that should be forwarded to the MSHP.

Status:

A,B,G,
& I. Not implemented. See MAR No. 8.

C,D,E,
F&H. Implemented.

STATISTICAL SECTION

History, Organization, and
Statistical Information

THIRTY-FOURTH JUDICIAL CIRCUIT
MUNICIPAL DIVISIONS
HISTORY AND ORGANIZATION

Organization

The Thirty-Fourth Judicial Circuit is composed of New Madrid and Pemiscot counties. The Honorable Fred W. Copeland serves as Presiding Judge. There are twenty divisions within the Thirty-Fourth Judicial Circuit. Twelve of these divisions are in New Madrid County and ten of these divisions are included in this report. The municipal divisions for the city of Howardville and the city of Matthews are reported on separately. The municipal divisions in Pemiscot County are also reported on separately.

The municipal divisions are governed by Chapter 479, RSMo 1994, and by Supreme Court Rule No. 37 titled "Ordinance Violations and Traffic Violations Bureau (TVB)." Section 479.050, RSMo 1994, provides that each municipal division may establish a TVB in which fines and costs are collected at times other than during court and transmitted to the city treasury.

Operating Costs

The operating expenses and court salaries of each municipal division are paid by the respective municipality.

Municipal Division Organization, Personnel, and Caseload Information

1. City of Canalou

Organization

The City Clerk serves as the Court Clerk and is responsible for recording transactions as well as handling collections and disbursements. Fines and court costs are deposited directly into the city treasury. Bond monies are held by the Court Clerk pending disposition. Court is held once a month if tickets are issued. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

Municipal Judge*	Charles Smith
City Clerk/Court Clerk**	Joy Russom

*Gloriann Chaney served as Municipal Judge from April 1994 to 1998.

**Prior to October 1997, Iris Drake served as Court Clerk.

Caseload Information

Year Ended June 30,

1998 1997

Number of cases filed

4 1

2. City of Gideon

Organization

The Court Clerk is responsible for recording transactions as well as handling collections and disbursements. Fines, court costs, and bonds are deposited directly into the city treasury. Court is held once a month. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

Municipal Judge
Court Clerk

Inga Ladd
Michelle Grissom

Caseload Information

Year Ended June 30,

1998 1997

Number of cases filed

111 116

3. City of Lilbourn

Organization

The City Collector serves as the Court Clerk and is responsible for recording transactions as well as handling collections and disbursements. Fines and court costs are deposited directly into the city treasury. Bond monies are held in a separate bond account. Court is held once a month. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

Municipal Judge*
City Collector/Court Clerk

Richard Kolwyck
Yvonne Morgan

*Prior to April 1998, Terry Hawkins served as Municipal Judge.

Caseload Information

Year Ended June 30,

1998 1997

4. Number of cases filed 230 174
City of Marston

Organization

The Court Clerk is responsible for recording transactions as well as handling collections and disbursements. Fines, court costs, and bonds are deposited in a municipal division bank account. Fines and court costs are periodically transmitted by check to the city and state. Bond monies are held in the division's bank account pending disposition. Court is held once a month. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

Municipal Judge* Roy Lovins
 City Clerk/Court Clerk** Bridget Fortner

*Prior to April 1996, John Brewer served as Municipal Judge.
 **Prior to December 1996, Rosie Sweatt served as Court Clerk.

Caseload Information

	<u>Year Ended December 31,</u>	
	<u>1997</u>	<u>1996</u>
Number of cases	149	98

5. City of Morehouse

Organization

The Court Clerk is responsible for recording transactions as well as handling collections. Fines, court costs, and bonds are deposited directly into the city treasury. Bond monies are held by the Court Clerk in a separate bank account pending disposition. Court is held once a month. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

Municipal Judge* Glen Greene
 Court Clerk** Angela Duncan

*Prior to October 1997, Rick Kreitemeyer served as Municipal Judge.
 **Prior to October 1996, Terri Hoskins served as Court Clerk.

Caseload Information

Years Ended December 31,

	<u>1997</u>	<u>1996</u>
6. Number of cases filed	217	191
<u>City of New Madrid</u>		

Organization

The City Clerk serves as the Court Clerk and is responsible for recording transactions as well as handling collections and disbursements. Fines, court costs, and bonds are deposited directly into the city treasury. Bond monies are held in the city treasury pending disposition. Court is held once a week. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

Municipal Judge	William E. Boyd
City Clerk/Court Clerk	Shelby Desmore

Caseload Information

	<u>Year Ended April 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	599	744

7. City of Parma

Organization

The City Collector serves as the Court Clerk and is responsible for recording transactions as well as handling collections and disbursements. Fines, court costs, and bonds are deposited in a municipal division bank account. Fines and court costs are periodically transmitted by check to the city. Bond monies are held in the division's bank account pending disposition. Court is held once a month. Although it has not been formally established, a TVB receives payment of fines and court costs at times other than during court.

Personnel

Municipal Judge*	Phillip Santi
City Collector/Court Clerk	Lusendy Gaddy

*Prior to April 1996, Terry Hawkins served as Municipal Judge.

Caseload Information

	<u>Year Ended June 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	331	423

8. City of Portageville

Organization

The Municipal Judge, assisted by the Court Clerk, is responsible for recording transactions as well as handling collections and disbursements. The municipal division maintains a bank account for fines and court costs. Amounts collected are transmitted by check to the city treasury once a month. Bond monies are held in a municipal division bank account pending disposition. Court is held once a month. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

Municipal Judge	Bill Foster
Court Clerk	Betty Wolfram

Caseload Information

	<u>Year Ended April 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	387	565

9. City of Risco

Organization

The City Clerk serves as the Court Clerk and is responsible for recording transactions as well as handling collections and disbursements. Fines, court costs, and bonds are deposited directly into the city treasury. Court is held twice a month. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

Municipal Judge	Norman Swafford
City Clerk/Court Clerk	Catheryn Odle

Caseload Information

	<u>Year Ended April 30,</u>	
	<u>1998</u>	<u>1997</u>
Number of cases filed	14	20

10. City of Tallapoosa

Organization

The City Clerk serves as the Court Clerk and is responsible for recording transactions as well as handling collections and disbursements. Fines, court costs, and bonds are deposited directly into the city treasury. Court is held once a month. A TVB has been established to receive payment of fines and court costs at times other than during court.

Personnel

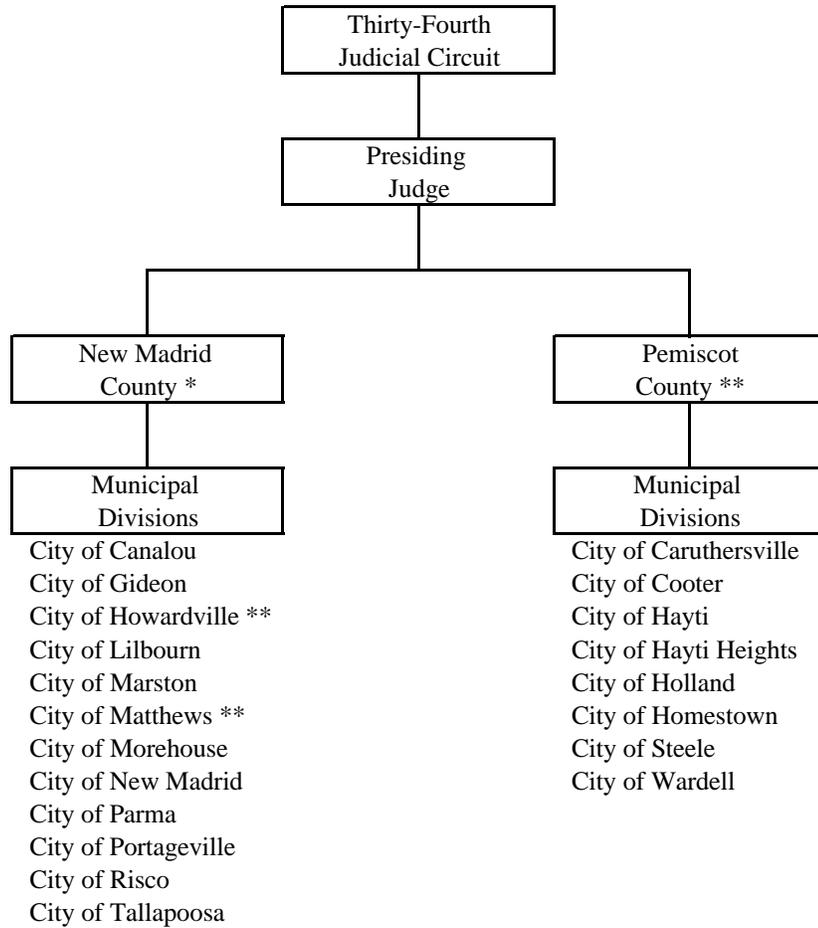
Municipal Judge*	Philip Santi
City Clerk/Court Clerk	Donna Jacobs

*Prior to September 1996, there had not been a Municipal Judge since October 1995.

Caseload Information

	<u>Year Ended December 31,</u>	
	<u>1997</u>	<u>1996</u>
Number of cases filed	47	8

THIRTY-FOURTH JUDICIAL CIRCUIT
 ORGANIZATION CHART



* Included in this report.
 **Reported on separately.

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